

TIMBER SALE PROSPECTUS

Sale Name :	Spread Thick	Type of Sale :	Scaled
National Forest :	Kootenai	Ranger District :	Three Rivers
Bidding Method :	Oral Auction	Bid Guarantee :	\$157,700.00

Location of Bid Opening : Supervisor's Office, Libby, MT

Date : 09/08/2014

Time : 10:00 AM

1. INTRODUCTION. This prospectus furnishes prospective bidders with information not contained in the published advertisement and is designed to enable bidders to decide whether or not to further investigate the sale. The prospectus is not a legally binding document, but is offered to provide general information about a sale. The contract does not include descriptions, estimates, and other data in this prospectus, unless otherwise stated. In the event that the prospectus contains an error or contradicts the sample contract, the contract governs. Bidders are urged to examine the timber sale and make their own estimates. Timber sale Contract 2400-6 will be used. Inspect the sale area and the sample contract before submitting a bid. Obtain the appraisal, other information on the timber, and conditions of sale and bidding at Forest Service offices listed above and in the named attached advertisement.

2. BIDDING. This is an Oral Auction sale. Bidders must submit initial bids on prepared forms they can obtain from Forest Service offices listed above and in the attached advertisement. The forms include instructions for bidding and submission of the required certifications. A bid guarantee must be included with the bid in the form of cash, a bid bond on form FS-6500-13 (4/82) or later, certification of annual bid bond allocation on form FS-6500-13a (4/82) or later, an irrevocable letter of credit, a certified check, bank draft, cashiers check, official bank check, or bank or postal money order payable to the Forest Service, USDA in the amount specified above and in the bid form. The bid guarantee shall be returned to each bidder whose bid is not accepted.

Weighted Average Stumpage Rate Bidding:

Prospective purchasers must submit bids in terms of the weighted average stumpage rate. The bid form states minimum acceptable rates and estimated quantities of timber together with the minimum acceptable weighted average rate. The advertised minimum acceptable weighted average rate is only for the biddable species, as listed on the bid form in the upper section of block 14. It does not include any non-biddable, fixed rate species listed in the lower section of block 14 titled "Required Removal at Fixed Rate. Only the Fixed Rate Applies." The bidder should enter the offer on the bid form only in terms of weighted average stumpage. The Forest Service shall conduct auction bidding only in terms of weighted average stumpage. The Forest Service shall establish bid rates by species in the contract by multiplying each species' minimum acceptable bid rate by the bid increase percentage. Such rates will be rounded to the nearest cent. The bid increase percentage is the bidder's weighted average bid rate divided by the minimum acceptable weighted average rate. The total amount for stumpage is the volume of each biddable species multiplied by its bid rate, plus the volume of each fixed rate species multiplied by its fixed rate.

3. LOCATION AND DESCRIPTION OF TIMBER. Refer to the sample contract and sale area map attached to the sample contract for legal location of sale area, location of subdivisions, location of cutting units, the acreage of sale area, and the cutting unit acreage.

THE FOLLOWING GENERAL LOCATION, ROUTES OF ACCESS, ACREAGES, AND OTHER SPECIAL LOCATION DATA DO NOT SUPERSEDE THE SALE AREA MAP OR SAMPLE CONTRACT.

LOCATION OF SALE: Portions of Sections 26, 27, 28, 29, 32, 33, 34 and 35, T36N, R32W; and portions of Sections 2, 3 and 4, T35N, R32W; PMM, Lincoln County, MT. The sawtimber component of this sale has been appraised to Moyie Springs, ID. The haul distance is 40.4 weighted miles. VOLUME QUANTITIES LISTED HEREIN ARE MADE AVAILABLE WITH THE UNDERSTANDING THAT VALUES SHOWN ARE FOREST SERVICE ESTIMATES AND ARE NOT GUARANTEED. This timber sale contains an estimated

88254 Tons (29451 CCF) of Sawtimber (Live and Dead) consisting of primarily Western Hemlock and Other Species. The following cruise data pertains to the sawtimber component of the timber sale; trees/acre (195), average height (76 ft.), average DBH (10.7 in.) and logs/CCF (15.7). In addition, this timber sale contains an estimated 36708 Tons (13376 CCF) of non-sawtimber consisting of all live and dead. The following cruise data pertains ONLY to the primary non-sawtimber component of the timber sale; trees/acre (229), average height (45 ft.), average DBH (6.1 in.) and logs/CCF (36.9). Primary non-sawtimber products are those trees less than the minimum sawtimber specifications included in section A2 of the timber sale contract. Refer to section A2 of timber sale contract for a description of the non-sawtimber products that have been included in this sale.

4. TIMBER QUANTITIES AND RATES. The quality, size, cut per acre, and product suitability of the timber are estimates based on detailed cruise information on file and available for inspection at the Forest Service offices listed above and in the advertisement. VOLUME QUANTITIES LISTED HEREIN ARE MADE AVAILABLE WITH THE UNDERSTANDING THAT VALUES SHOWN ARE FOREST SERVICE ESTIMATES AND ARE NOT GUARANTEED. For these reasons, bidders are urged to examine the timber sale area and make their own estimates.

Road Construction Costs. The advertised rate does not include the estimated cost of specified road construction. The estimated road construction cost has been included in the appraisal as a cost that the purchaser will incur. The purchaser will be responsible for the road construction cost and WILL NOT receive credit towards stumpage costs for this expense, i.e., THIS SALE DOES NOT INCLUDE PURCHASER CREDIT and bidders should consider the cost of road construction when developing their bids.

THE MINIMUM ACCEPTABLE BID RATE IS STATED IN THE ATTACHED BID FORM. THESE RATES ARE EFFECTIVE AT THE TIME OF ADVERTISEMENT.

**Estimated Quantities and Minimum Acceptable Rates
per Unit of Measure**

							Required Deposits	
Species	Product	Unit of Measure	Estimated Quantities	Average DBH	Minimum Acceptable Bid Rates	Base Rates	Slash Disposal	Road Maintenance
Western Hemlock & Other Species	Sawtimber	Ton	88,254.00	N/A	\$17.71	\$6.56	\$1.37	\$0.19
Required Removal at Fixed Rates								
Combined Softwood	Non-Saw	Ton	36,708.00	N/A	\$0.36	\$0.36	\$1.37	\$0.19
TOTAL		Ton	124,962.00				\$171,197.94	\$23,742.78

The minimum acceptable weighted average bid rate is \$17.71 per Ton for the biddable species. It does not include any non-biddable, fixed rate species listed on the bid form in the lower section of block 14 titled "Required Removal at Fixed Rate. Only the Fixed Rate Applies." The total amount for stumpage is the volume of each biddable species multiplied by its bid rate, plus the volume of each fixed rate species multiplied by its fixed rate.

This rate has been established by appraisal, with a cost allowance for the roads specified by the contract, if any. Required deposits for slash disposal and road maintenance are in addition to the advertised rates for timber. Purchasers are responsible for the cost of specified road construction. Specified road construction costs ARE NOT available to use as credit for the payment of stumpage, i.e., THIS SALE DOES NOT INCLUDE PURCHASER CREDIT.

Estimated Knutson-Vandenberg deposit for sale area improvement work in a total amount of \$599,418.00 is included in total timber value.

5. PERIOD OF CONTRACT. The normal operating season covers the period between 06/16 and 09/30 and between 12/01 and 02/28. Contract termination date is 10/31/2019. Extensions of this contract may be granted only when the purchaser has met specified conditions.

If an appeal or lawsuit is filed challenging the decision to award this contract or upon determination by the Regional Forester that conditions existing on this timber sale are the same as, or nearly the same as, conditions existing on other timber sale(s) in appeal or litigation, Contracting Officer may delay award or reject all bids. If delay in award is for 30 days or more during Normal Operating Season after bid opening, Contracting Officer shall, upon award, adjust the contract term to include additional calendar days in one or

more Normal Operating Seasons equal to the time award is delayed during Normal Operating Season.

The purchaser must submit a Plan of Operations to the Contracting Officer for approval before operations begin or within 60 days of sale award, whichever is earlier. The plan must show how the purchaser plans to complete the contract by the termination date. In addition to the Plan of Operations, the purchaser must submit an annual Operating Schedule before commencing operations. This schedule will include the anticipated major activities and needs for harvest. This annual Operating Schedule does not require concurrence of the Forest Service.

6. PAYMENT. Payment for timber and any required deposits for slash disposal or road maintenance are required in advance of cutting. The Purchaser may transfer purchaser credit into the contract, or provide an acceptable payment guarantee prior to cutting. Payment for required deposits must be a cash payment. The purchaser shall make advance deposits in accordance with provision B(T)4.212 - Advance Deposits.

The high bidder whose bid is accepted shall, at the time the contract is signed and returned by the bidder, make a downpayment pursuant to Title 36, Section 223.49, of the Code of Federal Regulations. The Contracting Officer will notify the high bidder of the amount necessary to make this payment. In no case shall the downpayment be less than 10 percent of the total advertised value plus 20 percent of the bid premium. After receipt of the downpayment and a satisfactory performance bond and upon execution of the timber sale contract, the Forest Service will return the bid guarantee. A cash bid guarantee may be applied to the downpayment at the request of the purchaser. The purchaser cannot apply the amount deposited as a downpayment to cover other obligations due on the sale until conditions stated in the contract for release of downpayment have been met. Refer to the sample contract for the specific conditions.

By 10/15/2017, the purchaser shall have paid for, or in lieu thereof, deposited cash in the amount of: (1) 50 percent of the total estimated bid premium, or (2) 35 percent of the total estimated sale value at bid date, exclusive of required deposits, rounded up to the next \$100.

By 10/15/2018, the purchaser shall have paid for, or in lieu thereof, deposited cash in the amount of 75 percent of the total estimated sale value at bid date, exclusive of required deposits, rounded up to the next \$100.

If a qualified bidder elects to have the Forest Service construct specified roads, the contract shall provide for collection of not less than the full estimated cost of the roads stated in this prospectus, in addition to the current contract rate value and required deposits. Contract FS-2400-6 provides for collecting the estimated public works road construction cost as timber is scaled, at a rate accelerated on 80 percent of the estimated volume.

If bidder elects the road option, payment for right-of-way timber will be made in advance of cutting. The timber will be decked by the road contractor and will be made available to the purchaser when notified by Forest Service of location and availability. If purchaser and road contractor agree, purchaser may cut and remove right-of-way timber as part of the specified road construction.

7. PERFORMANCE BOND. A performance bond is required. The penal sum of the bond will be 10 percent of the total bid value of the sale, rounded up to the nearest \$100 when the total bid value is \$10,000 or less; and rounded up to the nearest \$1,000 when the total bid value exceeds \$10,000 or \$158,000.00 whichever is greater. If an irrevocable letter of credit is used to secure the performance bond, the termination of the letter of credit must be at least 6 months past the contract termination date.

8. SPECIFIED ROADS. The Forest Service has determined that the following National Forest System roads shall be constructed or paid for, in whole or in part, by the timber sale purchaser. Sufficient information to permit a prospective bidder to calculate the likely cost to be incurred for road construction is available at the Forest Supervisor's Office. See the sample contract for verification of specific details and information concerning construction specifications. CONSTRUCTION ESTIMATES AND INFORMATION CONTAINED HEREIN, TOGETHER WITH RELATED SPECIFICATIONS, ARE NOT GUARANTEED. The following roads are those that Forest Service considers necessary to remove the timber from this sale.

Road Number	Road Name	Traffic Service	Approximate Miles/Kilometers	Estimated Road Construction Cost	Type of Work *
5956	BEDSPREAD	D	0.26 / 0.42	\$3,127.58	R
5955	LEFT SPREAD	D	4.81 / 7.74	\$62,950.39	R
435	SPREAD CREEK/DEER CREEK	C	2.82 / 4.54	\$15,490.38	R
5932	UPPER WHITETAIL	C	2.42 / 3.89	\$19,551.60	R
5932E	UPPER WHITETAIL E	D	1.8 / 2.9	\$8,134.62	R
5932G	UPPER WHITETAIL G	D	1.6 / 2.57	\$37,171.14	R

* C = Construction

R = Reconstruction

The required specified road completion date for all roads is 09/30/2015. If provision C(T)5.13# - Road Completion Date has different dates for projects, this is the final road completion date.

Total estimated construction cost allowed in appraisal is \$146,425.71

A bidder qualifying as a small business concern may elect to have the Forest Service construct the specified roads listed above. Completion dates for construction apply whether construction is performed by the purchaser or by the Forest Service. If the bidder elects Forest Service construction, it is the Forest Service's intent to perform construction through CONTRACT. The Forest Service shall not award the timber sale contract unless either it receives a satisfactory road construction bid or, if it fails to receive such a bid within 90 days of opening timber sales bids, the bidder agrees to perform road construction.

If purchaser elects Forest Service construction, the total estimated public works construction cost that would require to be paid in addition to current contract rates is \$172,268.96. See provision C(T)4.12#- Amount Payable for Timber in the sample contract for additional information.

The following changes will be made to the sample contract when the Forest Service constructs specified roads:

A(T)3 - Timber Designations: "Specified Road Clearing" will be changed to "Construction Clearing" C(T)2.323.

A(T)7 - Change the title to "Permanent Roads To Be Constructed by Forest Service."

A22 or AT19 - Make the following changes in A22 or AT19:

Add C(T)2.323 - Construction Clearing.

Add C(T)4.12# - Amount Payable for Timber.

Add C(T)8.41 - Limitation of Performance by Other Than Purchaser.

9. ROAD MAINTENANCE. Purchaser shall perform or pay for road maintenance work, commensurate with purchaser's use, on roads controlled by Forest Service, and used by purchaser in connection with this sale. Road maintenance requirements are based on the predicted haul route. Any change in the purchaser's actual haul route may necessitate a change in the roads to be maintained and/or in the amount of required deposit for road maintenance. Required deposits for road maintenance are listed in Section 4 and in the sample contract. Maintenance specifications are in the sample contract.

10. INAPPLICABLE STANDARD PROVISIONS. See sample contract.

11. SPECIAL PROVISIONS. See sample contract.

12. SET-ASIDE SALES. Not Applicable.

13. LOG EXPORT AND SUBSTITUTION RESTRICTIONS. The contract requires domestic processing of included timber

except for species declared to be surplus, and prohibits the use of such included timber in substitution for unprocessed private timber exported. The bidder, by signing the bid for advertised timber, certifies compliance with the applicable prohibitions against export and substitution prescribed in the Forest Resources Conservation and Shortage Relief Act of 1990, as amended (16 U.S.C. 620, *et seq.*) with each bid.

14. EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE REVIEW. If the total bid value plus required deposits for this contract exceeds \$10 million, before award, the Forest Service shall request an equal employment opportunity compliance review of the high bidder to determine compliance with the provisions of Executive Order 11246 of September 24, 1965, as amended by Executive Order 11375 of October 13, 1967 and Executive Order No. 12086 of October 5, 1978.

15. AWARD. The Contracting Officer is required to make a determination of bidder responsibility as stated in Title 36, Section 223.101, of the Code of Federal Regulations.

To determine a purchaser to be responsible, a Contracting Officer must find that:

- a. The purchaser has adequate financial resources to perform the contract or the ability to obtain them;
- b. The purchaser is able to perform the contract within the contract term taking into consideration all existing contracts and Governmental business commitments;
- c. The purchaser has a satisfactory performance record on timber sale contracts. A prospective purchaser that is or recently has been seriously deficient in contract performance shall be presumed not to be responsible, unless the Contracting Officer determines that the circumstances were beyond the purchaser's control and were not created through improper actions by the purchaser or affiliate, or that the purchaser has taken appropriate corrective action. Past failure to apply sufficient tenacity and perseverance to perform acceptably under a contract is strong evidence that a purchaser is not a responsible contractor. The Contracting Officer shall consider the number of contracts involved and extent of deficiency of each in making this evaluation;
- d. The purchaser has a satisfactory record of integrity and business ethics;
- e. The purchaser has or is able to obtain equipment and supplies suitable for logging the timber and for meeting the resource protection provisions of the contract;
- f. The purchaser is otherwise qualified and eligible to receive an award under applicable laws and regulations.

Bidders, by signing the bid form, certify that, to the best of bidder's knowledge the bidder will meet the requirements in 36 CFR 223.101, determination of purchaser responsibility, and, if awarded this contract, that bidder will complete the timber sale contract and any modifications thereof in accordance with its terms including requirements to purchase, cut, and remove included timber.

16. FALSE STATEMENTS ACT. Bidders, by signing the bid form, certify that they are aware that bidder is subject to the penalties prescribed in 18 U.S.C. 1001, Chapter 47, Fraud and False Statements (P.L. 104-45). The Act states "whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than 5 years, or both."

17. DAMAGES. This contract shall be terminated for breach pursuant to paragraph 16, 19, and/or 21 of the bid form and the terms of the sample contract if: 1) bidder fails to execute a timber sale contract, furnish a downpayment, or furnish a satisfactory performance bond within 30 days of the award letter's date; or 2) bidder is found to have violated the False Statements Act in making any statement or certification on the bid form including not meeting purchaser responsibility requirements, and bidder has made a false statement. The bid guarantee shall be retained, in whole or in part, by the Forest Service to satisfy any damages that may be assessed.

18. SUSPENSION AND DEBARMENT CERTIFICATION. Non-procurement debarments and suspensions are governed by the Government-wide common rules (7 CFR 3017).

These rules require each timber sale purchaser, to submit a certification for itself, its principals, and its affiliates when bidding on sales. The bidder must designate its status regarding debarment, suspension, and other matters as specified on the bid form. The bidder, by signing the bid form, certifies this status. An explanation for not submitting a certification may be submitted. The Contracting Officer will determine whether the explanation provides sufficient reason for permitting participation in the bidding. Also, as a timber sale purchaser enters into transactions with subcontractors, these subcontractors must certify their eligibility. The certification titled

"Subcontractor Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion" must be provided to subcontractors, but completed certifications are not required to be submitted with bid forms. Purchaser must keep these subcontractor certification forms on file for review by the Forest Service, if requested.

The certification forms and instructions for subcontractor transactions are provided as an addendum to the bid form.

19. OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION (OSHA) LOGGING REGULATIONS. Conduct of operations on this timber sale is subject to inspection for compliance with the logging operations regulations at 29 CFR 1910.266 by OSHA. This standard is applicable to the entire logging industry wherever logging operations occur. Information is available to assist purchasers to ensure compliance with the logging operations regulations during conduct of this timber sale from the U.S. Department of Labor, Occupational Safety and Health Administration, OSHA Billings Area Office, 2900 4th Avenue North, Suite 303 Billings, MT 59101, (406) 247-7494.

20. GENERAL. Corporations submitting an offer under this solicitation must include form AD-3030-FS, Representations Regarding Felony Conviction and Tax Delinquent Status For Corporate Applicants. Copies of this form may be obtained from the Forest Service office shown on page 1 of this prospectus or electronically at:
<http://www.ocio.usda.gov/policy-directives-records-forms/forms-management/approved-computer-generated-forms>.

Environmental documentation that approved this sale: Buckhorn EIS signed August 5, 2014.

Logging systems required by percent of Sawlog volume: 100% tractor.

Tractor skidding is planned for distances of up to 1900 feet from planned landing locations.

This contract includes split pricing.

All non-sawtimber material must be removed from the Sale Area in Units 9, 9C, 10, 12, 13, 14, 14B, 14C, 15, 16, 16A and 19. Refer to C2.2#.

The conversion factor for sawlogs to CCF to MBF equals 0.51719.

Weight scale is the specified method for volume determination for this timber sale. Products will be weighed on state certified scales at locations agreed to by the Purchaser and Forest Service. The advertised rate, base rate and deposits are expressed in a rate per ton. All bidding and payment on this sale will be on a per ton basis. Contract provisions pertaining to Weight Scale are included in the timber sale contract and should be reviewed prior to bidding. TON/CCF = 2.920.

Non-sawtimber products are included in this contract. Refer to C2.2# and C2.211#. Payment will be made under C4.225 Advanced Payment for Non-Sawtimber.

This contract includes C2.301# - Designation of Reserve Trees and also C6.320# - Reserve Tree Protection . Bidders should review these provisions .

This sale includes contract provision C6.848, Weight Accountability for Split Pricing. Under this provision, a purchaser shall sort sawtimber and non-sawtimber into separate decks on the landing. The non-sawtimber will not be hauled until inspected and released by the Sale Administrator. With split pricing, purchasers will bid on the sawtimber on a per ton basis; non-sawtimber is advertised at a fixed rate per ton and is non-biddable. Both sawtimber and non-sawtimber loads will be weight scaled. Payment for sawtimber will be at the bid rate per ton; payment for non-sawtimber will be at the fixed rate per ton.

This contract contains C4.228# Brush Disposal Deposit Schedule. Purchaser shall make a lump sum cash payment upon completion of skidding activities in each cutting unit for brush disposal activities to be performed by the Forest Service. Slash Disposal deposits per ton in A4b of Timber Sale Contract, Bid form and Prospectus are for display only.

Please be advised that the following provisions have been revised as of 4/13, and prospective bidders should examine each provision prior to bidding: C5.316 - Snow Removal, C6.882 - Presentation for Weight Scaling, C6.823 - Volume Determination, and C6.849 - Route of Haul.

As per B4.223, Periodic Payment Schedule, periodic payments will be required with an estimated payment date, based on tentative award date, of approximately October 15, 2017 and October 15, 2018.

Purchaser shall be required to dust abate the roads listed under C5.314#. Dust abatement material and specifications are included in the contract provision.

This sale contains C5.41#, Closure to Use by Others. Bidders should review all requirements in this provision. Closures are displayed on the Sale Area Map.

All or portions of this timber sale are located behind locked gates. Prospective purchasers interested in reviewing this sale must obtain a combination lock and a gate/road use permit prior to visiting the sale area.

As per contract provision C6.10 a pre-work conference shall be required. The Purchaser, or designated representative, is responsible for arranging the meeting with the Contracting Officer.

Purchaser shall be required to spray for noxious weeds as specified in C6.27#. As stated in the provision, a treatment period that is more responsive to actual weed seed development may be agreed to in writing between the Purchaser and Forest Service. Refer to this clause for Technical Spraying Specifications and to the Timber Sale Appraisal Report for the cost allowance.

In accordance with C6.351#, to prevent the spread of noxious weeds, the Purchaser shall be required to clean all off road logging and construction equipment and have these pieces of equipment inspected prior to moving onto the sale area.

This sale contains C6.316#, Limited Operating Period. Bidders should review all requirements in this provision.

Purchaser shall be required to seed all exposed mineral soil on skid trails and landings following completion of harvest activity with the seed mix specified in C6.601#.

Purchaser shall obliterate temporary roads constructed for use with this timber sale as per C6.632#. Obliteration shall consist of recontouring the road prism including all cut and fill slopes to natural ground contour.

Public notification of ongoing logging activity shall be done in accordance with signs meeting Montana State Highway specifications as noted in the contract.

Purchaser will be required to comply with the State of Montana Forest Fire Regulations.

Bidders must provide their Tax Identification Number in order for their bid to be considered for award.

There are several Special Treatment Areas located within cutting units and the Sale Area. Bidders should review all requirements in C6.4#.

Bidders should refer to C2.221# - Optional Removal of Non-Sawtimber Products for a list of cutting units that require optional removal of non-sawtimber.

Bidders should refer to C2.301# - Designation of Reserve Trees and C6.320 - Reserve Tree Protection. Purchaser shall pay liquidated damages of \$2000.00 for each superior white pine reserve tree damaged or destroyed.